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Stocks of Manufactured Dairy Products Down Five Percent From 1962

The Dairy Situation, Economic Research Service USDA, June, 1963

Total stocks of manufactured dairy products and cream, in terms of milk equivalent, in April 1963 amounted to 11.2 billion pounds of milk equivalent and were 5 percent lower than April 1962 stocks. The decrease was due primarily to a drop of 90 million pounds in cheese stocks. Commercial stocks of dairy products were about 11 percent below April 1962, 4.1 billion pounds of milk equivalent compared with 46 billion

Commercial stocks of butter at the end of 1962 were 31 million pounds compared with 20 million at the end of 1961, and continued above year-earlier levels through February. In March 1962, however, a substantial quantity of butter in commercial hands was liquidated, and April stocks were 14 percent under a year earlier. But manufacturers' stocks of butter at the end of May were 48 million pounds, about the same as May 1962 and just over the 1957-59 May average of 44 million pounds.

Stocks of American cheese in commercial hands were reduced about 60 million pounds during the fall and winter, 1962-63, but have been rising since March at a rate substantially higher than a year earlier. At the end of May, American cheese stocks were about 309 million pounds compared with 329 million a year earlier,

while stocks of other cheese were 40 million pounds, 8 percent less than May 1962.

Similarly, manufacturer's stocks of evaporated milk were reduced sharply during 1962 and early 1963, reaching 60 million pounds in March, the lowest point for the month since 1946. In April, however, stocks of evaporated milk were brought back approximately to year-earlier levels.

Condensed milk (case goods) stocks during the first 3 months of 1963 ran above a year earlier but dropped sharply in April. Holdings of dry whole milk at the end of April continued more than 15 percent below a year earlier.

Although production of nonfat dry milk in 1963 has been below 1962 levels, total stocks have been growing. At the end of April about 685 million pounds were in Government hands and 98 million pounds were held by manufacturers, for a total of 783 million pounds. This is nearly 2 percent more than was consumed in the United States from commercial sources in 1962.

Government butter stocks (including butteroil) still are increasing at a faster rate than this product can be moved into domestic and foreign utilization. Estimates for the first quar-

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WORLD MILK OUTPUT IN EARLY 1963 SLIGHTLY BELOW A YEAR EARLIER

The Dairy Situation, Economic Research Service
USDA, June, 1963

Based on estimates in 12 important dairy countries, world milk production in the first quarter of 1963 was off slightly from a year earlier. Among the 8 principal milk producing countries of Western Europe, only West Germany reported a substantial rise in output over the first quarter of 1962. Overall production in Europe in January-March was estimated at about 2 percent under the same period of 1962. In Australia and New Zealand combined, first quarter production was slightly above a year earlier, while production for the United States and Canada was down less than one percent.

In 1962, world milk production rose to 401 billion pounds compared with 396 billion in 1961 and a 373 billion average for 1956-60. Output in Western Europe gained more than 2 percent over 1961, as conditions in that area, with the exception of Denmark, were generally favorable. In a number of countries, increased production was accompanied by an increase in cow numbers, thus increasing the capacity of those countries for higher production this year. In Australia, cow numbers also increased, and milk production rose 1.6 percent. Output in New Zealand increased about 1 percent.

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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)
Producers' Uniform Price (4%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Class IV (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Butterfat in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Butterfat in Class II	.....
Percent of Producer Milk in Class III	.....
Percent of Producer Butterfat in Class III	.....
Percent of Producer Milk in Class IV	.....
Percent of Producer Butterfat in Class IV	.....

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	.....
Average Daily Class I Producer Milk	.....
Total Number of Producers	.....
Average Daily Receipts per Producer	.....
Average Butterfat Test	.....
Total Value of Producers Milk at Test	.....
Income per Producer (7 day average)	.....

GROSS CLASS USE (Pounds)

Class I Skim	.....
Class I Butterfat	.....
Class I Milk	.....
Class II Skim	.....
Class II Butterfat	.....
Class II Milk	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

July 1963	June 1963	July 1962
\$3.64	\$3.54	\$3.56
3.995	3.895	3.915
4.19	4.18	4.12
3.811	3.803	3.752
3.61	3.611	3.556
2.99	2.991	2.936
7.1¢	7.1¢	7.1¢
73.7	67.1	72.7
73.5	66.4	72.9
8.9	7.1	8.2
2.5	2.2	2.2
5.8	5.2	5.0
7.9	7.6	7.2
11.6	20.6	14.1
16.1	23.8	17.7
36,129,136	38,916,958	31,679,728
859,185	870,562	743,540
1,358	1,361	1,311
858	953	780
3.55	3.59	3.59
\$1,449,090.40	\$1,533,464.52	\$1,251,320.17
\$240.95	\$262.90	\$215.53
25,692,071	25,188,747	22,222,070
942,660	928,113	827,688
26,634,731	26,116,860	23,049,758
3,194,053	2,712,724	2,586,504
31,728	31,349	25,647
3,225,781	2,744,073	2,612,151
287,389	286,166	260,484
5,823	5,278	5,370
11,738	10,916	10,743
10,037	10,497	10,114
7,714	8,216	7,764

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA

☆ JULY, 1954 - '63

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1954	23,554,889	3.76	67.6	7.8	14.8	9.8	3.53	4.20	3.80	3.22	3.05	2,158	352
1955	24,524,882	3.69	67.9	8.0	12.2	11.9	3.54	4.282	3.883	3.315	3.137	2,086	379
1956	25,619,223	3.74	67.7	8.8	10.6	12.9	3.84	4.602	3.942	3.372	3.197	2,044	404
1957	25,721,802	3.66	72.3	8.2	14.9	4.6	3.79	4.379	3.979	3.479	3.057	1,906	435
1958	25,099,314	3.67	72.0	8.8	11.0	8.2	3.51	4.079	3.679	3.279	2.856	1,808	448
1959	26,599,943	3.67	79.6	8.3	4.1	8.0	3.76	4.293	3.893	3.499	2.879	1,749	491
1960	27,223,982	3.67	75.5	7.8	3.5	13.2	3.63	4.206	3.806	3.514	2.883	1,644	534
1961	28,284,509	3.61	73.1	8.8	4.6	13.5	3.89	4.48	4.08	3.784	3.164	1,241	735
1962	31,679,728	3.59	72.7	8.2	5.0	14.1	3.56	4.12	3.752	3.556	2.936	1,311	780
1963	36,129,136	3.55	73.7	8.9	5.8	11.6	3.64	4.19	3.811	3.61	2.99	1,358	858

Decline Slowed In Consumption Per Person

The Dairy Situation, Economic Research Service USDA, June, 1963

Per capita civilian disappearance of milk in all dairy products in 1962 amounted to 637 pounds of milk in milk equivalent compared with 640 pounds in 1961. This decline of 3 pounds per person compares with a decline of 13 pounds from 1960 to 1961 and an average annual drop since 1955 of 10 pounds. In 1962, 42 pounds per person were furnished through CCC donations or through the National School Lunch and Special Milk Programs — a 9-pound increase over the 33 pounds per person in 1961. Consumption from commercial sources dropped 7 pounds from 573 in 1961 to 566 pounds per person in 1962 compared with a 3-pound decrease in consumption from all sources.

Gains in total civilian disappearance were registered by fluid milk and cream, frozen deserts, dry whole milk, condensed milk, and cheese; use of butter, evaporated milk, and nonfat dry milk declined.

Fluid milk and cream consumption from commercial sources rose about 400 million pounds in 1962. An additional increase of 100 pounds occurred as a result of the National School Lunch Program and Special Milk Program. However, fluid milk and cream consumed on farms producing milk in 1962 dropped about 400 million pounds from 1961 as a result of

changes in the number of persons on such farms.

Consumption of butter from all sources fell about 1.1 percent in 1962. An increase of nearly 10 percent in CCC donations for welfare programs failed to offset the continuing drop in the purchase of butter from commercial sources. Per capita consumption of butter decreased from 7.4 pounds in 1961 to 7.2 pounds in 1962; per capita consumption of butter from commercial sources decreased from 6.3 pounds in 1961 to 6.1 pounds in 1962.

Civilian disappearance of American cheese in 1962 was up 8 percent over a year earlier. Disappearance from commercial sources declined 3 percent in 1962 compared with a rise of 6 percent a year earlier. However, more than offsetting the loss was the sharp increase in CCC donations of cheese for civilian use, from 24 million pounds in 1961 to 150 million in 1962. Associating the commercial consumption decrease with increased CCC donations suggests some effect of CCC supplies on consumer purchases. Consumption of other cheeses gained slightly — about 25 million pounds — in 1962. Consumption of evaporated milk in 1962 decreased to 96 percent of 1961 and 93 percent of 1960.

Civilian use of dry whole milk increased about 14 percent in 1962.

Substantial increases in use by the candy, bakery, and dairy industries were only partially offset by declines in use by soup manufacturers, packaging for home use, and other purposes, according to the American Dry Milk Institute.

Consumption of frozen products in 1962 increased about 1 percent over 1961. While total ice cream consumption gained, consumption per person in 1962 declined to 17.9 pounds from 18.0 in 1961.

Total civilian disappearance of nonfat dry milk fell 13 percent in 1962, although CCC donations for welfare and school lunch programs increased 4 percent over 1961. The decline in use of nonfat dry milk from commercial sources was very marked, falling to 770 million pounds from 928 million in 1961. The American Dry Milk Institute reported that dairy processors, bakeries, and manufacturers of prepared dry mixes decreased their use of nonfat dry milk sharply; increases were in home use, meat processing, soup, and animal feeds. Use per person dropped 15 percent from 6.2 pounds in 1961 to 5.3 pounds in 1962. Part of the decline in domestic use was offset by an 8 percent increase in the use of dry buttermilk, from 70.3 million pounds in 1961 to 75.9 million in 1962.

MANUFACTURED STOCKS . . .

(Continued from Page One)

ter of 1963 are that utilization of butter and nonfat dry milk in domestic welfare and school lunch programs was near the usage of a year earlier, when 162 million pounds of butter and 205 million pounds of nonfat dry milk were used. Shipments of CCC butter abroad during the first quarter of 1963 amounted to 6 million pounds compared with none in the same period of 1962. Indications are that butter and butteroil exports during calendar 1963 are not likely to exceed 100 million pounds of butter equivalent. About 35 million pounds of CCC butter may be used for military consumption. Thus, for all of 1963 total utilization of CCC stocks may be close to 300 million pounds of butter, somewhat less than prospective purchases.

Exports of nonfat dry milk during the first quarter of 1963 have been at a slightly higher rate than the first quarter of 1962. Further, the sale of 187 million pounds of nonfat dry milk to Japan, an increase of 87 million pounds over 1962 sales to that country, and increased sales due to the Payment-In-Kind Program indicate that foreign utilization of nonfat dry milk will be substantially above the total for 1962. These gains suggest that utilization of CCC stocks of nonfat dry milk may catch up with purchases in 1963.

WORLD MILK OUTPUT . . .

(Continued from Page One)

Increase in milk production in 1962 resulted in substantial rises over 1961 in output of manufactured dairy products, amounting to 3 percent for creamery butter, 1 percent for cheese, and 9 percent for dry milk (including dry whole milk and nonfat dry milk). Canned milk output, however, declined 2 percent.

The increases in world output of milk and dairy products occurred, except in the United States, with only slight changes in prices paid to producers in the major dairy countries. In 1963, guaranteed or average prices paid to producers for milk in selected countries indicate that, except in the Netherlands and Denmark, price inducements to producers will be similar to those of 1962.

Prices guaranteed to producers under the P. S. support program are

lower than those in Netherlands, the United Kingdom, and Canada, where the level of average price is estimated for all uses of milk and is roughly equivalent to the price of all wholesale milk in the United States. In other countries for which data are shown, the guaranteed producer prices are substantially lower than in the United States.

Trends in world production have become more significant to U. S. dairy producers as the amount of milk they produce exceeds domestic requirements. Only a few years ago (1959-1960) the annual amount exported was only 0.8 billion pounds of milk equivalent and 447 million pounds of nonfat dry milk. But in 1962, exports were up to 1.3 billion pounds of milk equivalent and 872 million pounds of nonfat dry milk, as shipments under Government programs increased.

Market Quotations

JULY
1963

MINNESOTA - WISCONSIN PRICE SERIES	\$3.09
MIDWEST CONDENSERIES 3.5% per Cwt.	2.984
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.110
Average Weekly Cheddars price per lb. ....	.3412
Average price per lb. 92-score butter at Chicago .....	.5797
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant1403

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